U.S. DEPARTMENT OF COMMERCE
National Technical Information Service
PB-280 026

Handbook for Achieving Adequate Salaries for State Environmental Positions

Blaser, Zeni and Co, Chicago, Ill

Prepared for

Environmental Protection Agency, Washington, D C Water Planning Div

Jun 76

PB 280 026

HANDBOOK FOR ACHIEVING ADEQUATE SALARIES FOR STATE ENVIRONMENTAL POSITIONS

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

JUNE 1976

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U. S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

TECHNICAL REPORT DATA
(Please read Instructions on the reverse before completing)

1. REPORT NO.	2.	3. RECIPIENT'S ACCESSION NO. PB280026
4. TITLE AND SUBTITLE HANDBOOK FOR ACHIEVING ADEQUATE SALARIES FOR STATE ENVIRONMENTAL POSITIONS		5. REPORT DATE June 1976 6. PERFORMING ORGANIZATION CODE EPA-OWP
7. AUTHOR(S) William Blaser, Blaser, Zeni & Co.		8. PERFORMING ORGANIZATION REPORT NO.
9. PERFORMING ORGANIZATION NAME AND ADDRESS Water Planning Division (WH-554) EPA, 401 M St., S.W., East tower 805 Washington, D.C. 20460		10. PROGRAM ELEMENT NO. 2BA644-28 11. CONTRACT/GRANT NO. EPA Contract No. 68-01-3148
12. SPONSORING AGENCY NAME AND ADDRESS Water Planning Division (WH-554) EPA, 401 M St., S.W., East Tower 805 Washington, D.C. 20460		13. TYPE OF REPORT AND PERIOD COVERED Handbook, June 1976 to present 14. SPONSORING AGENCY CODE

15. SUPPLEMENTARY NOTES

16. ABSTRACT

This handbook was prepared by EPA to assist State Water Pollution Control Agencies to reclassify personnel positions and upgrade salaries in order to attract and retain qualified environmental staff. In discussions between EPA and State officials across the nation, it was learned that a major barrier with which they had to contend in their attempt to strengthen their programs was salary structures which did not properly reflect the new responsibilities of a position or the change in the market for scarce skills. Six States were selected as prototypes by EPA and the State environmental agencies to test the value of technical assistance to upgrade salaries. EPA engaged a contractor to provide intensive assistance to these States. Major findings and results achieved are included in this handbook.

17. KEY WORDS AND DOCUMENT ANALYSIS

a. DESCRIPTORS	b. IDENTIFIERS/OPEN ENDED TERMS	c. COSATI Field/Group
State environmental salary	salaries State level	State salary

18. DISTRIBUTION STATEMENT	19. SECURITY CLASS *(This Report)*	21. NO. OF PAGES 81
	20. SECURITY CLASS *(This page)*	22. PRICE A05 - A01

EPA Form 2220-1 (Rev. 4-77) PREVIOUS EDITION IS OBSOLETE

HANDBOOK FOR ACHIEVING ADEQUATE SALARIES FOR STATE ENVIRONMENTAL POSITIONS

Contract No. 68-01-3148

WATER PLANNING DIVISION
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUNE 1976

PREFACE

Many state environmental agencies have had difficulties attracting and retaining qualified environmental personnel, particularly since the enactment of the Federal Water Pollution Control Amendments of 1972 (P.L. 92-500). Demand has tended to exceed supply, even during recent depressed economic activity.

The result has been key positions being vacant over extended periods of time, or filled with inadequately qualified persons. This, in turn, has reduced the ability of state agencies to perform required functions such as administering the $18 billion dollar construction grant program and the Section 208 areawide waste treatment planning process.

State officials reported that the chief barrier to attracting and retaining qualified persons was an inadequate salary structure.

The purpose of this handbook is to assist state environmental administrators in achieving adequate salaries for the environmental positions in the agency.

This handbook was developed pursuant to the Federal Water Pollution Control Act Amendments of 1972 (P.L. 92-500) by Blaser, Zeni & Co. with the supervision and support of Edward F. Richards and other members of the staff of the Water Planning Division.

Mark A. Pisano
Director, Water Planning Division
U.S. Environmental Protection Agency
Washington, D.C.

ACKNOWLEDGMENTS

The success with which this project has been met has only been possible through the tireless efforts of many dedicated concerned environmental managers.

The staffs of the environmental agencies and state personnel departments in Delaware, Florida, Missouri, New Jersey, Vermont and Virginia, the six "prototype" states, provided the laboratories for this project. Both the EPA and the contractor express sincere gratitude for the cooperation, assistance and many long hours of work provided in connection with the project.

Similarly, the state program coordinators in the USEPA Regional Offices, Richard Kotelly in Region I, Patrick Harvey in Region II, William O'Neal in Region III, Jim Silva in Region IV and Eugene Ramsey in Region VII deserve appreciation for their identification of the problems and the opportunities associated with the project.

HANDBOOK FOR ACHIEVING ADEQUATE SALARIES

FOR STATE ENVIRONMENTAL POSITIONS

TABLE OF CONTENTS

		Page
	PREFACE	i
	ACKNOWLEDGMENTS	ii
I.	EXECUTIVE SUMMARY	1
II.	INTRODUCTION	9
III.	FINDINGS AND CONCLUSIONS	14
IV.	STRATEGIES FOR CHANGE	27
V.	APPENDICES	41
	A. Case Studies	42
	Delaware	42
	Florida	47
	Missouri	50
	New Jersey	53
	Vermont	56
	Virginia	59
	B. Suggested Legislation	62
	C. Methodology and Technical Approach	68
	D. Glossary	73

I. EXECUTIVE SUMMARY

Background

This handbook has been developed for senior state environmental administrators.

To them is addressed the question: "Does your agency have a continuing series of key vacancies which are hindering your organization's accomplishments?"

If so, this handbook offers potential solutions, drawing upon actual, recent experience in Delaware, Florida, Missouri, New Jersey, Vermont and Virginia.

The strategies for change outlined have worked during a period of extreme budget stringencies under the requirements of a series of state personnel systems.

Although salary levels are not the only determinant for an employer in hiring and retaining qualified personnel, state environmental officials have reported that inadequate salaries can be and have been a substantial barrier.

Attracting and retaining qualified environmental personnel often hinges on relatively small salary differentials. Consequently, it is possible to achieve significant improvement with minor impact on budgets. Equally important with being economical with dollars is the importance of being economical with the scarce time of senior environmental administrators. The progress made in the six states did not require significant time or supervision from such executives.

Environmental officials who are administering agencies with inadequate compensation structures are caught in an awkward situation: positions that are vacant, positions that have high turnover, and positions filled by inadequately qualified persons, allow a cascade of problems to pour through to the senior officials, overloading them and depriving them of time that should be used for other critical agency problems.

The Problem

With the enactment of the Federal Clean Air Act of 1970 and the Federal Water Pollution Control Amendments of 1972, most state and territorial environmental agencies have been required to assume substantially increased responsibilities in the development and operation of increasingly sophisticated and complex programs. The demand for skilled qualified environmental personnel increased dramatically, more rapidly than supply, and was reflected in the market-place for employees.

To the extent that personnel systems did not adapt as quickly as the circumstances were changed, staffing problems resulted: widespread vacancies, positions being filled by inadequately qualified persons, and high turnover rates.

Such problems were bound to impair the quality, quantity and timeliness of agency decisions. Consequences could be severe: a poor decision could affect the opening of a new factory; a late decision could delay the construction of a sewage treatment plant expected to provide cleaner water and unemployment-reducing jobs.

In discussions between USEPA and state officials across the nation, it was learned that the chief barrier with which they had to contend was salary structures which did not properly reflect the new responsibilities of a position, the change in the market, or both.

Purpose of this Project

Given the widespread nature and consequences of these environmental personnel problems, the United States Environmental Protection Agency(EPA) decided to make assistance available to the states for their solution.

Six states were selected as prototypes through consultation with officials of EPA headquarters, EPA regional offices, and state environmental agencies.

The EPA engaged a contractor to provide intensive technical assistance to these six states, to then develop a handbook drawn from the experiences with these states. In order to maximize the benefit from these experiences and this handbook, the contractor is to provide, in the final phase of this project, individual consulting visits to each of the regions and those states the regional office designates. Such consulting visits are designed to adapt the broad technical approaches to the specific needs of the individual states. The methodology of the project and experience with each of the prototype states is detailed in the appendices.

Major Findings

1. Throughout this century, the nation has been experiencing a long-term inflationary trend, eroding the purchasing power of the dollar. To the extent the basic pay plan of a state is not regularly and adequately adjusted for inflation, the result is a pay reduction in real terms for state employees.

Legislatures have been reluctant to make such adjustments because granting a "raise" in dollar schedules is often interpreted as granting an increase in purchasing power.

2. During the 1975-76 period when technical assistance was being provided to the six states, the nation was in a recession. Unemployment was high; budgets of the states were drastically squeezed between reduced revenues and increased expenditures. Legislatures, which have historically been reluctant to adjust the face value of basic pay plans to match the deterioration of the purchasing power of the dollar, were reluctant to even make a partial adjustment. During the recession period difficulties in filling positions persisted, but at a somewhat lesser rate.

Nevertheless, in a few disciplines, such as engineering, compensation in the marketplace has continued to advance notwithstanding the recession.

With the economy apparently once again on the upswing, the competition for individuals to fill key environmental positions is expected to increase, aggravating existing compensation problems.

3. State personnel agencies often are budgeted so tightly that they do not have enough staff to reexamine compensation levels or reexamine classifications as frequently as needed.

4. Budget limitations within state environmental agencies often lead to inadequate staffing of qualified personnel specialists within the environmental agency; such a specialist or specialists are needed to gather and present environmental agency information to the state personnel agency.

5. State departments of personnel are often asked to perform the impossible task of reconciling conflicting forces: a pay plan that falls behind inflation, an overall shortage of funds in the state budget, and the realities of the marketplace reflected in salaries paid by alternate employers.

6. Frequently, due to existing authority, statutory or otherwise, a state personnel agency is expected to fulfill a role of restraining budgets related to governmental employees within their jurisdiction. As one top state environmental official expostulated, "Our state personnel department has confused its role with that of the Office of Management and Budget; they think their job is to hold down the budget rather than administer a compensation structure based on the merit system".

7. Nearly all state personnel agencies have a reluctance to expanding the number of payroll titles. This aversion may extend to the creation of specialization titles, for example, splitting an engineering title into environmental engineers and highway engineers, even though the marketplace pays substantial differentials for differing experience.

8. Generally, state departments of personnel are highly reluctant to use surveys of competitive salaries to determine what salary grade should be allocated to a class title.

9. Salaries paid by state environmental agencies vary widely. Although terms of this project did not permit a comprehensive salary survey, indications are that salaries paid by many states to engineers are significantly less than those paid by other employers for engineers with comparable experience.

10. Where seniormost environmental officials did not give compensation review whole-hearted support, progress was difficult; with full support progress was facilitated.

11. Acquiescence or active support by the Office of the Governor can be critical; it was best achieved by describing early the compensation problems, their consequences to good administration, and the potential solution.

An effective example was to describe the relationship between adequate environmental staff, prompt processing of construction grant applications, sewage treatment plant construction, and unemployed construction workers.

12. Legislation, enacted in Delaware in 1975, provided solutions to the continuing long-term problems, as well as rectifying recent years erosion of the pay plan's purchasing power.

13. Long hours and intense work reflect the dedication of employees of state departments of personnel and of environmental agencies. Such effort has, in part, offset some of the unfavorable consequences of a shortage of qualified staff.

Results Achieved

Relatively small dollar amounts can significantly improve the attractiveness of a salary as compared to other employment opportunities; relatively modest reductions in vacancies can make a significant improvement in agency accomplishments while reducing staff overload.

Each of the prototype states have a merit system or civil service system which requires all personnel transactions to be reviewed and approved by the state department of personnel or by a civil service board. Because these agencies generally are overloaded, it usually takes months to get decisions on a series of classification and pay actions.

As of June 1976, the publishing date of this handbook, results achieved were as follows:

(1) Delaware revised the Pay Plan for state employees twice within the past year. The first granted increases of 8 percent, 12 percent or 15 percent depending on pay grades; the second increase was a cost of living adjustment of 3.064 percent. This obviated the need for many of the individual adjustments; nevertheless, one classification action was granted, seven were not submitted for lack of funding. The Agency Personnel Officer is currently reevaluating the recommendations.

(2) Recommendations for the Florida Department of Environmental Regulation included classification actions involving 17 positions. The environmental agency forwarded ten actions to the State Department of Personnel. Three have been approved, five are pending, and two were denied. One action was disapproved by the DER. As funding becomes available, the remaining positions will be re-evaluated for submission by the agency.

(3) Recommendations for the Missouri Division of Environmental Quality, through a combination of classification actions, affected 42 positions. Several months were needed to act upon the entire list, but all were granted.

(4) At the end of May 1976, the New Jersey Department of Environmental Protection and the State Department of Personnel were presented fully documented recommendations for classification actions involving 38 positions. All these actions are pending at time of publishing this handbook.

(5) Similarly, presentation of recommendations to the Vermont Agency of Environmental Conservation and the State Department of Personnel were made at the end of April 1976 affecting 14 positions; all are pending at this time.

(6) Recommendations affecting 79 positions were provided to the Virginia State Water Control Board and to the State Department of Personnel for classification and pay actions. Increases were granted statewide by advancing substantially all employees one or two steps in the pay plan. The salary of the Executive Secretary was raised $5,000. Further action on the remaining recommendations is contemplated pending completion of an organization study of work assignments.

State Personnel Classification and Pay Project
Key Environmental Positions Affected
Through June 5, 1976

	# Classification Actions Recommended	# Granted	# Pending	# Denied	# Not Submitted Lack of Funding
Delaware	8	1*	7	0	0
Florida	17	3	5	3	6
Missouri	42	42	0	0	0
New Jersey	38	0	38	0	0
Vermont	14	0	14	0	0
Virginia	79	1*	78**	0	0

* In addition, increases were granted to substantially all state employees in the merit system while this project was being undertaken.

** Further action is contemplated pending completion of an organization study of work assignments to be completed jointly by the State Water Control Board and the State Department of Personnel.

Conclusion

Inadequate salaries for environmental positions can have an unfavorable affect on the economy of the state, the accomplishments of the environmental agency, and the workload of staff members.

Such consequences are important enough to justify the senior-most state environmental official to determine whether salaries are an impediment and, if so, to authorize a plan of action to improve the situation.

A senior executive can most effectively delegate the details of execution of the strategies for change if he has devoted a small amount of time to becoming familiar with the fundamental reasons for compensation problems under state personnel systems, and the fundamental solutions to such problems.

The purpose of the executive summary is to communicate such fundamentals. The balance of this handbook is to provide additional details.

II. INTRODUCTION

Background and Purpose of the Project

With the enactment of the Federal Clean Air Act of 1970 and the Federal Water Pollution Control Amendments of 1972, most state and territorial environmental agencies have been required to assume substantial responsibilities in the development and operation of increasingly sophisticated and complex programs.

These enlarged responsibilities have hastened the maturity of "environmental management" as an interdisciplinary field which requires skilled public administrators for positions of leadership and senior management.

This requirement for increasingly skilled personnel has had an effect upon both pollution control agencies in their attempts to fill positions and upon individuals seeking employment or promotion within them.

The response to this requirement by environmental agencies has varied widely among the state and territorial governments. Some of these governments have initiated programs to meet this challenge of incorporating "environmental management and administration" into their personnel classification system, while others have taken few steps in this direction.

There have existed, for extended periods of time, vacancies and temporary appointments to many of these key environmental positions.

In response to widespread vacancies in key state water pollution control positions throughout the nation, the EPA decided to assist the states by providing intense technical assistance through a contractor, to six states, to have developed a handbook drawn from the experiences with these six states, and finally to brief interested states in the techniques used.

The EPA is concerned about such vacancies inasmuch as the EPA and the states have been jointly mandated by the Congress to implement the sweeping provisions of the Federal Water Pollution Control Act Amendments of 1972 (P.L. 92-500) on a tight timetable.

Problems associated with adequate staffing of state water pollution control positions go beyond a question of vacancies.

High turnover rates and the frequent necessity to fill positions with "someone" even if they are not fully qualified by training and experience could result in delays in awarding of construction grants and contract awards with attendant impact on employment within a state.

Given the widespread nature of these environmental personnel problems, it is necessary to focus on the more prevalent causes which transcend any particular state or regional boundaries.

Although salary levels are not the only determinant for an employer in hiring and retaining qualified personnel, inadequate salaries can be a substantial barrier.

With the dramatic growth in water pollution control programs in the past five years, qualified personnel in this specialized field have had an increasingly large number of positions from which to choose in private industry, the federal, state and local governments.

For people with water pollution control training and experience, it has become a classical "Sellers' Market".

Those organizations which have taken the steps necessary to assure adequate compensation levels for this special group are better situated to attract and retain adequate staff.

As a result of the urgency of this need, this project was designed to go beyond a mere recital of the problems. The project is rooted in a results-oriented approach and is seeking to actually help bring about solutions during a "technical assistance" phase of reclassification implementation.

The project, thus far, has dealt with the provision of technical assistance to six prototype states.

Working with these prototype states, the contractor has assisted in the documentation of specific disparities between classification/compensation levels and responsibility/authority requirements for selected key water pollution control positions within state environmental programs.

Most of the water pollution control problems in the states and the nation can be overcome through the design, construction and operation of adequate waste treatment facilities, whether governmental or industrially owned.

With this realization, private industries, the legislatures of the states and the Federal Government have all moved to provide massive funding for such facilities. Federal funding alone, authorized by P.L. 92-500, totals $18 billion dollars, which is supplemented by more than $4 billion of state and local funding.

Much of the funding has come relatively suddenly and is truly enormous in terms of its impacts upon public and private organizations charged with the responsibilities for design, construction, operation and monitoring of waste treatment activities.

This government program does not include funding provided, and personnel required for design and construction of industrial waste treatment facilities which result from actions of the environmental agencies.

Nature and Extent of the Vacancy/Turnover Problem

While it is only possible to estimate the time when state environmental agencies began to experience significant and continuing vacancy/turnover problems, the period beginning with the implementation of P.L. 92-500 is a reasonable point of departure.

As early as the spring of 1973, during the preparation of State Program Plans for FY 1974, the potential magnitude of the impact on personnel needs was perceived by many state environmental and EPA managers. These plans, prepared pursuant to Section 106 of P.L. 92-500, contained the first early warnings of the impending problems which would strike the state agencies.

Although many states had been attempting to improve personnel compensation levels for environmental personnel since the late 1960's and early 1970's, success had been sporadic and frequently piecemeal.

Throughout 1974, appropriate EPA personnel in both the Regional Offices and at Headquarters attempted to develop an improved data base concerning the vacancy/turnover problems which have tended to focus most heavily upon the engineering profession.

In some instances, state environmental managers surfaced the problems in the 106 plans, while others chose to transmit such concerns in less formal written and verbal communications.

Despite the vehicles used, the same message was becoming increasingly apparent: P.L. 92-500 is placing billions of dollars in the design and construction market for water pollution control facilities and the states are experiencing severe problems in remaining competitive in terms of attracting and retaining qualified personnel.

Adequate quantification of a uniform nature was difficult to obtain, but scattered reports of extreme situations help form clear patterns of the problem.

Instances of severe attrition, prolonged vacancies of senior management positions and a lack of qualified, experienced candidates for jobs were repeated throughout the country.

The EPA, acting upon this continuing feedback from the states attempting to adequately implement P.L. 92-500 within the deadlines, moved to initiate a state personnel reclassification project.

The project was designed to first establish a clear picture of the varying needs among the states as portrayed by an adequate data base and to systematically furnish technical assistance to those states where the need appeared most crucial, if such help was sought by those states.

Important Restraints on Comparative Data

As originally written, the contract authorizing this project called for the contractor to conduct a survey of compensation patterns of all states and a representative sample of other employers. However, the Federal Reports Act requires that any survey addressed to ten or more recipients must be approved by the Federal Office of Management and Budget. Such approval was requested, but disapproved; an appeal of this decision was also disapproved.

Consequently, the survey was restricted to a limited number of states plus such information available from already published sources.

Purpose of this Handbook

The purpose of this handbook is to assist state environmental administrators in achieving adequate salaries for the environmental positions in the agency.

The various techniques are listed, required circumstances for their use outlined, and specific steps required to execute each technique.

It is believed that this handbook can provide a systematic approach to identify and solve the majority of the major problems which a state environmental agency is most likely to encounter in assessing and/or undertaking such a project.

While it is unlikely that every conceivable problem of both a managerial and technical nature has been addressed in this handbook, it is envisioned that an environmental manager can use the patterns presented, with customizing modifications, to solve many such problems.

Mutual Problems and Mutual Needs

In some states we have detected some signs of strain between the various managers of the state environmental agency and the state department of personnel.

This is the natural result of the frustrations each feels; each is highly aware of the constraints they themselves operate under, and is somewhat less aware as to the pressures bearing upon the other.

Those in state personnel departments are painfully conscious of the need to preserve equitable relationships throughout the classification and pay structure, seeing the non-ending task of classification and pay review of hundreds of class titles. Those in the environmental agencies know of the difficulty of hiring properly qualified personnel, and feel the painful loss when an experienced manager resigns. Both know there are more responsibilities assigned to his agency than can be handled by present staff.

Considering all the conflicting claims it is important that both groups appreciate the other's problems and make extra efforts to assist one another in these difficult situations.

III. FINDINGS AND CONCLUSIONS

1. Throughout this century, the nation has been experiencing a long-term inflationary trend, eroding the purchasing power of the dollar. To the extent the basic pay plan of a state is not regularly and adequately adjusted for inflation, the result is a pay reduction in real terms for state employees.

Legislatures have been reluctant to make such adjustments because granting a "raise" in dollar schedules is often interpreted as granting an increase in purchasing power.

If a tax increase is required to provide the additional dollars to offset inflation, opposition to the tax increase will be fierce, and such opposition will extend to compensatory pay plan adjustments.

However, the very inflation which causes the problem provides part of the solution.

Generally speaking, long-term inflation means long-term price increases which yield larger sales tax revenues; similarly long-term wage increases for the state's population means greater income tax receipts for the state.

These long-term increases in state revenue are not automatically used to maintain purchasing power for state employees; they may be diverted to new or expanded state programs.

Part of the responsibility of senior state officials is to effectively urge that the additional revenues accruing to the state from inflation are used to protect damage done by inflation to the salaries of state employees.

2. During the 1975 to 1976 period when technical assistance was being provided to the six states, the nation was in a recession. Unemployment was high; budgets of the states were drastically squeezed between reduced revenues and increased expenditures. Legislatures, which have historically been reluctant to adjust the face value of basic pay plans to match the deterioration of the purchasing power of the dollar, were reluctant to even make a partial adjustment. Generally states were finding it easier to fill most positions than in the past.

Nevertheless, in a few disciplines, such as engineering, compensation in the marketplace has continued to advance notwithstanding the recession.

With the economy apparently once again on the upswing, the competition for individuals to fill key environmental positions is expected to increase, aggravating existing compensation problems.

Some indication of these trends is shown in job offers to recent graduates of 156 colleges and universities, as compiled by the College Placement Council. It is interesting to note that substantial increases continue to be reported for state/local government employers as well as other employers.

Data is for Civil Engineers which represent the engineering discipline most in demand in the nations' water pollution program.

Candidates For Bachelor's Degree In Civil Engineering
National Average Annual Salary Offers

State/Local Government	Salary	Sample Size
10 months ended 6/30/75	$11,712	364
10 months ended 6/30/74	10,716	253
Dollar Increase	$ 996	
Percent Increase	9.29%	
All Types Employers Combined		
10 months ended 6/30/75	$12,768	2,608
10 months ended 6/30/74	11,604	3,024
Dollar Increase	$ 1,164	
Percent Increase	10.03%	

Source: College Placement Council

3. State personnel agencies often are budgeted so tightly that they do not have enough staff to reexamine compensation levels or reexamine classifications as frequently as needed.

This leads to delays in conducting reviews of classification and pay, and also to delays in processing transactions after such review takes place.

Realizing this, a state environmental manager should give the maximum assistance permitted in identifying and documenting the need for changes in classification and pay.

4. Budget limitations within state environmental agencies often lead to inadequate staffing of qualified personnel specialists within the environmental agency; such a specialist or specialists are needed to gather and adequately present environmental agency information to the state personnel agency.

Questions of classification and pay in a state merit system are highly technical, requiring extensive knowledge and experience. Many state environmental agencies do not have a person with such skills as a full-time member of their staff; even if they do, rarely can full-time attention be given to such a project for the time needed.

The work required for developing required factual material and preparing necessary personnel documents can be massive if any significant number of positions is to be effected.

Fortunately, though the need is intense, it can also be brief and the personnel specialist(s) of the environmental agency can be supplemented from outside sources similar to that done in the prototype states.

Occasionally, the state department of personnel will assign a specialist full-time to the agency for the necessary period. Alternatively, use of a personnel consultant or a retired classification specialist may be feasible on a contractual basis.

5. State departments of personnel are often asked to perform the impossible task of reconciling conflicting forces: a pay plan that falls behind inflation, an overall shortage of funds in the state budget, and the realities of the marketplace reflected in salaries paid by alternate employers.

In the conflict between the marketplace and a pay plan that does not reflect inflationary change some adjustment must eventually take place.

One solution is to generally reclassify positions upward: the Delaware pay plan now starts at Pay Grade 5; in 1974, Missouri, reflecting many years of such erosion, abolished the first 26 pay grades.

Another solution is to authorize advanced steps for entry more and more regularly to reflect the marketplace; in 1975, Missouri abolished Step A entirely.

6. Frequently, due to existing authority, statutory or otherwise, a state personnel agency is expected to fulfill a role of restraining budgets related to governmental employees within their jurisdiction. As one top state environmental official expostulated, "Our state personnel department has confused its role with that of the Office of Management and Budget; they think their job is to hold down the budget rather than administer a compensation structure based on the merit system".

In periods of stringency, there have been cases in which an order has been given that no reclassification or reallocation will be approved unless it has been first approved by the office of the governor, or by the bureau of the budget.

Obviously, a state must live within its revenues. However, it is inequitable to impose a special "tax" on an individual state employee by paying him the salary for a lower classification when he is performing the work of a higher classification.

7. Nearly all state personnel agenices have a reluctance to expanding the number of payroll titles. This aversion may extend to the creation of specialization titles, for example, splitting an engineering title into environmental engineers and highway engineers, even though the marketplace pays substantial differentials for differing experience.

Some of this reflects a feeling common to most organizations, of preferring to keep systems as simple as possible, compatible with fulfilling the purpose of the organization.

Some of this reflects limited numbers of personnel staff, an increase in the number of class titles requires increased staff to maintain them properly.

Much of this reflects a desire to preserve exising relationships among various classes within the entire system; for example, the fear that a salary increase given an environmental engineering class would precipitate an increase for engineering classes in other state departments.

If ease of administration, or preserving past relationships were the only criteria, there would be far fewer class titles. New titles, with appropriate pay differentials, require differences in qualifications, differences in responsibilities, and differences in pay in the marketplace.

8. Generally, state departments of personnel are highly reluctant to use surveys of competitive salaries to determine what salary grade should be allocated to a class title.

Part of this is due to the nature of salary surveys: because of time necessary to compile them they can never be "up-to-the-latest-minute"; because two jobs are almost never exactly identical, they can be considered not worth comparing.

However, the reluctance has an even stronger basis. A senior personnel officer of one state said, "I don't care if you provide us with perfect salary surveys that prove we are paying a class or class series below the market, we will not reallocate". A senior personnel officer of another state said, "We pay no attention to salaries paid by other employers when we determine salaries for state employees".

There is a strong desire to preserve existing relationships as to pay grades among the various class titles. In one case it was stated that if a majority of persons subject to a pay schedule are underpaid, all should be underpaid a proportionate amount.

The rationale for this is that eventually legislation will be enacted to raise the entire pay schedule and existing relationships must be preserved for that time. This, in turn, is based on the assumption that the present pay relationships among each of the existing class titles is equitable, and hence no pay grade adjustments should take place.

Notwithstanding the above, state departments of personnel were interested in the salary comparisons done in conjunction with this study, requested and received copies of those pertaining to their state.

9. Salaries paid by state environmental agencies vary widely. Although terms of this project did not permit a comprehensive salary survey, indications are that salaries paid by states to engineers are significantly less than those paid by other employers for engineers with comparable experience.

Entry Level Engineers

Salaries offered by the states for entry level engineers are shown for a number of states (the number limited by the restrictions outlined in the introduction) and that obtained from College Placement Council. The latter is compiled from the average salary of all job offers made to graduating seniors of 159 colleges and universities that scholastic year. Data is for civil engineers which represent the engineering discipline most in demand in the nation's water pollution control program, although at least one state strongly prefers chemical engineers. Data is shown for "all employers" as this represents the composite alternative employment a job candidate contemplates when about to accept a job.

Comparative Salaries

Data Source	Title	Minimum Training and Experience	Salary for Stipulated Experience	As Of
College Placement Council	All Employers (878 offers)	B.S. Chemical Engineering	$15,264	3/76
	All Employers (581 offers)	B.S. Civil Engineering	13,392	3/76
	Local/State Government Employers (76 offers)	B.S. Civil Engineering	12,132	3/76
Missouri	Sanitary Engineer I	B.S. Civil Engineering	12,132	2/76
Pennsylvania	Sanitary Engineer I	B.S. Civil Engineering	12,049	2/76
Alabama	Public Health Engineer I	B.S. Civil Engineering	12,012	2/76

Georgia	Environmental Engineer in Training	B.S. Engineering	11,700	2/76
Delaware	Resources Engineer I	B.S. Engineering	11,587	4/76
South Carolina	Environmental Engineer I	B.S. Engineering	11,461	2/76
New York	Junior Engineer	B.S. Engineering	11,337	2/76
Massachusetts	Junior Sanitary Engineer	B.S. Engineering	10,888	2/76
Maine	Sanitary Engineer I	B.S. Engineering	10,686	2/76
Florida	Engineer I	B.S. Engineering	10,315	2/76
Maine	Assistant Engineer	B.S. Engineering	9,703	2/76
New Hampshire	Civil Engineer I	B.S. Engineering	9,487	2/76
Vermont	Engineer A	B.S. Engineering	8,840	5/76

Most state capitols are located near rural areas which offer enticement to some job applicants as a particularly pleasant place to live. How much salary reduction a person is willing to accept depends on such factors as age, marital status, temperament and interests. As a Vermont official expressed it, "all we need to do is to find someone who loves skiing---he can live in Stowe, the New England skiing capital, and can commute daily the few miles to Montpelier."

Experienced Engineers

The best salary comparisons are generally compiled when gathered by the same organization, at the same time, on the same basis, and covering the same period.

Even then, such information must be used with care. No survey data is "up-to-the-latest" minute; yet if adjusted, it can be a useful indicator and decision-making tool.

Further, almost no two jobs are identical in every respect. This might seem to invalidate all salary comparisons on a theoretical basis; nevertheless, in practice, the job-seeker compares salaries when deciding which job to seek or accept.

One of the best indicators of relative salaries in the environmental field is the survey of salaries for engineers conducted by the National Society of Professional Engineers. The effective date of the survey was 6/30/75.

The survey revealed an average increase of 15% between 1973 and 1975.

All employers, Bachelor's degree, all ages

1975	$23,700
1973	20,660
	$ 3,040
	15%

National Society of Professional Engineers
Salary Survey
By Years Since Entry in Profession

Industry employers

	2	3	4	5	10	15
6/75 survey	14,950	15,410	16,860	17,960	21,120	23,904
7.5% estimated adjustment	1,121	1,156	1,265	1,347	1,584	1,793
6/76 estimate	16,071	16,566	18,125	19,307	22,704	25,697

State employers

	2	3	4	5	10	15
6/75 survey	*	14,100	14,900	15,670	18,580	20,960
7.5% estimated adjustment	-0-	1,058	1,118	1,175	1,394	1,572
6/76 estimate	-0-	15,158	16,018	16,845	19,974	22,532

Consulting firm employers

	2	3	4	5	10	15
6/75 survey	13,900	14,930	16,120	16,940	21,300	26,000
7.5% estimated adjustment	1,043	1,120	1,209	1,271	1,598	1,950
6/76 estimate	14,943	16,050	17,329	18,211	22,898	27,950

* Fewer than 20 cases reported

A cautionary word is appropriate in comparing salaries of a given class title with the above data. Many states have a beginning salary with additional steps for each of several additional years employment. If the minimum required experience, for example, is 3 years, it is the first step in the pay schedule which should be compared with the survey data for three years since requiring a bachelor's degree. It is true if the person remains in the same class title, he would get an annual increase; in that case, the comparison should be with data based on some elapsed years in both cases.

10. Where seniormost environmental officials did not give compensation review whole-hearted support, progress was difficult; with full support progress was facilitated.

This is understandable when one realizes the difficulties faced by the typical state department of personnel when confronted with a multitude of conflicting claims and possessing limited number of staff. In such situations, the department of personnel must establish priorities; if the subject is not important enough to involve the seniormost environmental official, there is a tendency for this to affect the priorities assigned.

11. Acquiescence or active support by the Office of the Governor can be critical; it was best achieved by describing early the compensation problems, their consequences to good administration, and the potential solution.

An effective example was to describe the relationship between adequate environmental staff, prompt processing of construction grant applications, sewage treatment plant construction, and unemployed construction workers.

The job of the governor historically has not been an easy one; it appears even less so in recent years. One reason for this is that he acts as the personalized focus of the unlimited wants of the state's population, and is asked to reconcile these with the state's limited means.

The mere fact that one state employee, or group of state's employees feel that they deserve "more" cannot control his decision--he is confronted repeatedly with that each day.

Instead, he needs to perceive that the desired action will optimize the benefits to the various constituencies of the state.

It is important to note, however, that a governor's authority is limited, by statute, by regulation, and by custom; principal reliance must be placed on the routine administration of the merit system.

12. Legislation, enacted in Delaware in 1975, provided solutions to the continuing long-term problems, as well as rectifying recent years erosion of the pay plan's purchasing power.

A copy of this legislation, including introductory note, is contained within the appendices.

13. Long hours and intense work reflect the dedication of employees of state departments of personnel and of environmental agencies. Such effort has, in part, offset some of the unfavorable consequences of a shortage of qualified staff.

One senior environmental offical regularly begins his day at the office at 6 am; he usually works until 6 pm, sometimes later. He attributes his long hours in part to performing tasks assigned to positions now vacant, in part to performing tasks assigned to positions "temporarily" filled by persons with less qualifications than officially required.

In varying degrees we found similar dedication in all of the environmental agencies studied, with the burden falling most heavily on the senior supervisors. To the extent inadequate salaries lead to vacancies, high turnover, and positions filled by incompletely qualified personnel, some of the consequences are avoided by extra dedication and extra hours of agency personnel. How long such extra commitment will continue is a serious question.

The parallel also exists in state departments of personnel. The job of maintaining a merit system of classification and pay requires a regular review of positions and class titles. Even with overtime, staff is not able to conduct reviews as regularly as necessary.

It is to the advantage of the environmental agency to support, if asked, the need for adequate staffing of the state department of personnel.

Until some of these longer-term problems are ameliorated, extra time and dedication is necessary from officials of both agencies.

IV. STRATEGIES FOR CHANGE

Merit systems generally have a number of detailed rules, regulations, and procedures, designed to prevent persons from receiving pay increases not justified by merit principles. Failure to adhere closely to the required details can block or delay an increase, no matter how well-justified it may otherwise be.

This part of the handbook will address itself to strategies and techniques for improving inadequate salaries.

Basic strategical decisions will be discussed, an overview of the techniques will be provided, and a detailed review of required steps will be provided.

Although the material provided is generally appropriate for all states covered by a merit plan, each state will have variations, depending on their statutes, rules, regulations, procedures, and customs. The strategies, techniques, and steps discussed should provide considerable assistance as a guide, but must be adapted to each state's special requirements.

Is There A Salary Problem?

Before launching into a program to improve salaries, it would be prudent to review whether factors, other than salaries, are at the root of an inability to attract and retain qualified people.

If there are few vacancies, little turnover, and positions are filled with persons meeting specifications, it is difficult to be convincing that salaries are inadequate.

Even if there are numerous vacancies, this does not automatically mean that the salary structure is the principal cause. Recruiting strategy should be briefly reviewed, an examination of the total advertising (paid and unpaid) schedules should be conducted to see whether ad frequency, ad wording, and choice of placement is reasonable.

Good interviewers not only learn qualifications of the candidate; they also build a desire for the job in the mind of the candidate. Because recruiting in an environmental agency is a part-time responsibility of the agency personnel officer, they often cannot do as thorough a job as the consequences warrant. Considering continuing turnover larger agencies could justify a full-time recruiting specialist.

Retention problems may be aggravated by uninspiring work, poor working conditions, geography, or other factors.

However, if numerous vacancies and excessive turnover persists, it implies strongly that salaries are not high enough to compensate for type of work, working conditions, geography, recruiting technique, and all other factors which determine which job a person will accept.

The Basic Strategical Decisions

The first basic strategical question to be faced should be the question of timing. When a project such as this is initiated can often influence its success as much as what is done. Decisions in this field affect and are affected by budgets, revenues, and taxes. This means that major projects to improve salaries become subject to political scrutiny, with all this entails. Political rivalries, as well as state finances, can influence results. Although these represent potential risks, they are by no means insurmountable, as shown by the hundreds of times pay plans have been revised, and the hundreds of thousands of other classification actions which have occurred affecting salaries.

Timing is more likely to affect the extensiveness of a review, rather than its existence. Questions of timing consider not only the climate of opinion, but also consider the urgency of need.

Another basic strategical decision involves deciding whether the problem should be pursued "wholesale" or "retail". The "wholesale" approach would be attempting to substantially increase the salaries of all agency personnel--in other words, getting the entire pay schedule revised. The "retail" approach would be to examine positions or specialized classes on an individual basis.

The third basic strategical decision is to what extent the staff of the environmental agency should become involved in the mechanics of evaluation of the positions and class titles of the agency. The range of possibilities extend from performing practically all of the functions, to relying exclusively on staff of the state department of personnel. The extent of involvement of the environmental agency in such process is subject to the discretion of the state department of personel; permission should be sought and received before embarking on such a project.

The "wholesale" approach is indicated if substantially all employees salaries are below the market, if substantially all agencies of a state have widespread vacancies and excessive turnover. The "retail" approach is indicated if such vacancies and turnover are concentrated in relatively few position or class titles.

The magnitude of attempting to influence a "wholesale" solution can be deterring. Yet, not withstanding the difficulties, the need often exists on a statewide basis, and repeatedly throughout the country, legislatures and governors have supported wholesale revision of pay schedules.

Alternatively, salary improvement can be pursued on a "retail" basis, or a combination of both strategies can be utilized.

Overview of Techniques

Principal Techniques

Under a state merit system, improvement in salary usually results from one of five techniques:

(1) Reallocation: Adjustment of the scale of pay for a class of positions to provide an increase in rates of pay. Example: Environmental Technician I class changed from pay grade 9 to pay grade 10.

(2) Reclassification: The reassignment of a position from one class to a different class to correct an error in initial allocation or to recognize a change in the duties and responsibilities of the position. Example: A position reclassified from Pollution Control Engineer II to Pollution Control Engineer III.

(3) New Job Title: Creation of an entirely new class when the specifications of no existing class in the pay schedules accurately reflect required qualifications and responsibilities. Example: A position changed from Environmental Engineer III to Engineering Manager (a new class).

(4) Advanced Step Authorization: Authorizing a new employee to start at other than the minimum salary established for the pay grade assigned to the class. Example: Authorizing hiring Geo-Hydrologists I at Step B rather than Step A.

Also used to authorize a pay increase of one or more steps for existing employees.

(5) Revision of Pay Schedule: Complete revision of Statewide pay schedule; this usually requires legislative action.

All five techniques were used in the prototype states and are detailed in the main text.

Additional definitions are included in the Glossary.

Sequencing of Techniques For Positions and Class Titles

The analytical and action sequence for individual positions or class titles normally follows this sequence:

(1) A meeting between the environmental agency director and the director of the state department of personnel to establish concurrence for a process utilizing assistance from environmental agency staff.

(2) A meeting between the environmental agency personnel officer and the chief of classification and pay for the department of personnel.

(3) Selection by the environmental agency of individual positions or class titles to be studied.

(4) Gathering information concerning competitive salaries.

(5) Gathering requisite information concerning individual positions and class titles.

(6) Analysis of information gathered.

(7) Determine if reclassification is needed.

(8) Determine if a request for new title is needed.

(9) Determine if reallocation is needed.

(10) A meeting between the environmental agency personnel officer and the chief of classification and pay for for the department of personnel to review and evaluate initial recommendations.

(11) Determine if advanced step authorization is needed.

Each step is detailed in the following sections.

Detailed Steps

(1) The environmental agency director should meet with the director of the state department of personnel to discuss the problems of the agency in attracting and retaining qualified environmental employees and the impact on the state's administration.

Information should be prepared by the agency personnel officer for the meeting regarding number of vacancies, vacancy rate, why employees are leaving, a list of the vacant positions, turnover rate, type of recruiting being done by the agency, and reasons given for candidates not accepting positions. At the meeting, permission should be requested from the Director of Personnel for the environmental agency personnel staff, working with the classification and pay staff of the State Department of Personnel, to conduct the study of key environmental positions within the agency.

(2) A meeting should be held between the agency personnel officer and the chief of classification and pay for the department of personnel which can serve a dual purpose. The agency will be working closely with the department of personnel and it is advantageous for personnel to become more familiar with the agency. Also, if necessary, a discussion can be held and material gathered on the classification and pay system established in the state. (For example, how does the personnel staff conduct audits, what forms are necessary, what are the procedures followed, what is the system by which they determine proper allocation of a position). Copies of specifications of similar engineering positions in other state departments and copies of salary surveys conducted by personnel can be gathered.

(3) The next step would be the selection of the key environmental positions by the environmental agency management staff. The following criteria may be utilized:

(A) Long periods of vacancy because of difficulty in recruiting a candidate at the salary being offered.

(B) Difficulty in retaining employees in certain positions or classes, reflected in a high turnover rate for certain positions or classes.

(C) Positions which have had a change in duties and responsibilities without a change in salary.

(D) Positions which would be difficult to fill if the incumbent should leave. These may require specialized expertise and would create recruitment problems.

(4) Gathering Information Concerning Competitive Salaries

The salary survey material provided by the State Department of Personnel will give some guidance of the types of surveys they find most useful. In addition, they should be explicitly asked what type of salary survey data would be most helpful.

Salary surveys of compensation patterns can be gathered from public and private employers, federal and local governments, other state environmental agencies, and from associations such as the National Society of Professional Engineers. Also, material can be gathered from universities for beginning level engineers and engineers with Masters degrees.

Data concerning states can be gathered by telephone interviews, which will provide opportunities for discussion of requirements and possible exceptions.

In order to develop meaningful salary comparisons, it is necessary to consider the fact that there are many jobs in government which have no exact counterpart in industry; many in industry have no exact counterpart in government. The lack of exact counterparts does not inhibit a potential job applicant from making comparisons as to which field will reward him better.

The most meaningful comparison which can be applied, encompassing both industry and government, is comparison of compensation levels based on years since graduation with appropriate bachelor's degree. Thus, it is possible to compare compensation for a given state position with the typical level in industry (on non-state government, for that matter). Care should be taken in these categories to differentiate between supervisory and non-supervisory categories.

In each of the experience categories, emphasis should be placed on salaries at the first step, as this is the step that salary plans generally assume to be adequate to attract candidates with the stipulated training and experience. While it is true that additional years in the same state position provides increases in earnings, the same is true in industry and other governmental employers.

Generally, state departments of personnel are highly reluctant to use salary surveys to determine the salary grade to be allocated to a class; therefore, the salary surveys should be considered supporting data.

(5) Steps required for gathering requisite information concerning individual positions and class titles are outlined, but will vary from state to state depending on the classification system.

(A) Notify the environmental agency staff by memo of the study being conducted by the agency and the reasons why the study is being conducted. This is done to minimize rumors such as "the study is being conducted to find out what positions should be abolished".

(B) Notify the incumbent in each selected position that the position is being evaluated.

(C) Ask each incumbent in the selected positions to complete an up-to-date Position Description Questionnaire. Many states have a classification questionnaire for the purpose of evaluating positions, each is slightly different. If there is none available, ask the incumbent to complete a Job Description form.

The incumbent lists, in detail, the overall responsibilities of the position, tasks performed, percent of time spent on each task, number and title of persons supervised, type of supervision received and name and title of supervisor. This information should not be copied from the old job description or the position specification on file, and the incumbent should be told that this will not be acceptable.

The incumbent completes and signs the form, the supervisor of the position approves and makes comments, if necessary, and forwards to the agency personnel office.

NOTE: Most employees have great difficulty in writing a job description in the specific language needed for evaluation purposes. Therefore, Step E is recommended.

(D) In the study of a class of positions, it is considered appropriate to request questionnaires from each incumbent and to conduct audits of a certain percentage of positions within the class. There is a procedure usually established by the state department of personnel stating one audit per unit, or 10% of the positions; audit those positions as required by personnel.

(E) An audit of each selected position is conducted by the personnel officer or an experienced personnel classification technician. Usually 1 to 1½ hours spent with the incumbent is necessary to gather additional information, although this will vary. It is recommended that notes be taken during the audit. The specific information needed when the audit is completed, which may be on the questionnaire or gathered during the audit, should be complete enough to write a job description or a position specification.

The data needed may vary to some extent according to the state classification system, but generally will require the following:

1. Functions of the area in which the incumbent is employed?

2. What are overall responsibilities of the position?

3. What work is performed by the incumbent?

4. What knowledges are needed to perform the tasks?

   a. What college degree or degrees, if any, are necessary?
   b. In what field?
   c. How may years of experience? In what field? In what areas? How many months or years on the job training? What specialized, technical and professional knowledges and skills are necesary?
   d. What licenses are necessary?

5. Is the incumbent accountable for the end result of work? What work? Does the incumbent have the freedom to make major decisions? What decisions? Ask for examples. What is or can be the impact of the decisions? What does the incumbent approve? What needs the approval of the supervisor?

6. What type of problems are encountered? If there is a problem, is it the incumbent's responsibility to solve it? Does the incumbent work out the solution and then take to the supervisor for approval? Have examples cited.

7. Name and title of employees supervised. Type of supervision exercised over employees (full-time or part-time). What human resource capabilities are needed?

8. Type of supervision or direction received. How are assignments received and with what instructions? How is the work reviewed or checked?

9. What contacts are made within the department, with other departments, and all outside contacts? Why are the contacts made? What is the result of the contacts? What is the impact of the contacts?

10. What is the operating budget of the area in which the incumbent is employed? Is the incumbent responsible for any or all aspects of budget within the area?

After the audit is completed with the incumbent, a meeting with the supervisor of the position should be held to modify or verify the information earlier provided. If there are major additions or deletions, a meeting with the incumbent, supervisor and the individual who conducted the audit should be held.

(F) Information gathered during the audit should be written in a format which can follow the sequencing of questions 1 through 10, which were asked during the audit.

(6) Analysis of Information Gathered

The position can now be analyzed. Compare the audit data with the current job description or its equivalent. As many of the 10 data areas as possible covered by the audit should be compared, depending on the completeness of the current job description, or its equivalent. Do the comparisons indicate no changes, minor changes, or major changes in levels of job content since the initial allocation? If there are changes, what type level and how extensive are the changes which have occurred? List major changes by position.

Check the current job content level of the position with similar engineering positions within the environmental agency and within other state departments. Within the agency, check the position descriptions; within other state departments, check the specifications. What pay grade is established for these positions?

On the positions with major changes which would impact the pay grade, the next steps will be the decision as to whether the position should be reclassified to a current established class; or if no class exists, establish a new class at a higher pay grade; or reallocate the class to a higher pay grade; or if reallocation is not acceptable, ask for advanced step authorization.

(7) Determine if Reclassification is Needed

If the position is assigned higher level duties, responsibilities and authorities and require higher qualifications than when initially allocated, and the position is in a class within a class series, determine whether the position belongs in the series. A class series is a progression of classes in the same area of work... If it belongs in the series, compare the current job content with the next higher class in the series. Is the position performing at that level? Or is it performing at an even higher class in the series? Find out which of the classes in the series is most similar in duties, responsibilities, authorities and requirements. Recommend reclassification to the appropriate class.

If the position does not belong in the series, review other established classes to find the appropriate class and request reclassification to the appropriate class. If no class exists, see Request for New Title.

(8) Determine if a Request for New Title is Needed

If there were no established class similar in duties, responsibilities, requirements and authorities, Request a New Title. The title should accurately reflect the job and level of the position.

A pay grade should be established which is commensurate with the level of the overall responsibilities. The allocation factors established by the state department of personnel is the determinant as to what pay grade should be established for the new title. These factors may be established as a point system; in some states, "benchmarks" are established which provide useful measurement references for other jobs; in some states, total job content is measured through comparisons with similar classes with pay grades already established.

The data gathered during the audits should provide the necessary material needed to make a decision on the appropriate pay grade.

Salary survey data can be presented as supporting data.

(9) Determine if Reallocation is Needed

Reallocation can be requested for the following: (A) One position if it constitutes a class; (B) A class of positions; (C) A class series. If a position is evaluated which is the only position within the class, reallocation can be requested for the individual position. (For example, Engineer Manager may be a class with one position and an incumbent.) Therefore, the evaluation of one position which shows an upgrade necessary, can be the basis for reallocation.

Similarly, an evaluation of a class of positions or an entire series, which show an upgrade necessary, can be reallocated.

If the evaluation of the position or class or series shows that the class title is appropriate, but the required duties, responsibilities, authorities and requirements indicated allocation factors at a higher pay grade, reallocation should be requested.

A pay grade should be established which is commensurate with the level of the overall responsibilities. The allocation factors established by the state department of personnel is the determinant as to what pay grade should be established for the new title. These factors may be established as a point system; in some states, "benchmarks" are established which provide useful measurement references for other jobs; in some states, total job content is measured through comparisons with similar classes with pay grades already established.

The data gathered during the audits should provide the necessary material needed to make a decision on the appropriate pay grade.

Salary survey data can be presented as supporting data.

(10) After the initial findings and tentative recommendations are completed on all the positions, it is recommended that an informal meeting be held with the Chief, Classification and Pay at the State Department of Personnel to discuss the initial findings and tentative recommendations for those positions with major job content changes. The experience and insight of the Department of Personnel is particularly helpful at this point.

(11) Determine if Advanced Step Authorization is Needed

If reallocation is not acceptable to the Department of Personnel, advanced step authorization should be considered as a possibility.

If there is difficulty in recruiting employees in certain classes or series because of low salaries, and the pay grade cannot be changed, salary survey data and agency recruiting experience should be evaluated to determine a salary which would be competitive for new employees. Recommendation would be made for advanced step authorization.

It is highly recommended, although not always required by the Personnel Rules, any employee who is currently below the new salary entry level, be moved to the new salary level upon approval by the State Department of Personnel.

It is highly recommended that consideration be given to those employees who are at or above the new salary entry level, who are deserving, be granted a merit increase. Otherwise, morale problems of the trained qualified employees can suffer.

Techniques for Achieving Revision of Statewide Pay Schedule

To achieve revision of a statewide pay schedule requires concurrence of dozens of state officials. Since most such revisions required concurrence of the legislature, no single administrator at any level is likely to achieve such a change alone. The contribution individual administrators can make is dependent, in part, on their level of responsibility; generally a cabinet officer speaking to the governor will have more influence on such a decision than a manager within an agency making suggestions to the cabinet officer.

Senior environmental administrators, if not cabinet officers, however, can influence events by providing the cabinet officers with key information as to the extent of the problem, the consequences of the problem to the state's administrative image, and perhaps by suggesting potential areas of saving within their agency that could provide funding for their agency's share of a general increase.

The problem is one of persuasion. The differences of problems among states, and among the varying personalties involved, range so widely in this area that few, if any, specific suggestions of techniques would be appropriate.

To achieve such revision requires not only the merits of the situation but also requires great tact in presenting the problem, the consequences, and the solution to the various decision makers. Critical is the need to build support with the director of personnel, the chief budget officer, the governor's staff and the governor; such presentations generally are best communicated in a private, informal conversation by the cabinet officer of the agency.

Probably the best suggestion would be to look to the recent experience of the State of Delaware included in the Appendices. Here the needed broad support was achieved, in part, by the Governor appointing a task force, including legislators, to study the facts and make recommendations.

V. APPENDICES

CASE STUDIES

Delaware

Background

The Delaware Division of Environmental Control (DEC) was created on March 1, 1970 as an operating division of the Department of Natural Resources and Environmental Control. The positions authorized in 1971 were 35. The DEC had grown to 53 authorized positions in FY 75.

As of July 1, 1975, there were seven vacant positions, or a vacancy rate of 13.2%. The Superintendent of the Water Pollution Section had been vacant 27 months; the Engineer Manager, Water Resources had been vacant 4 months.

Problems Encountered

Comparison of existing State environmental salaries with those of public and private employers for similar positions revealed substantial disparities. Salary data was gathered and presented to the Delaware DEC.

During the course of the study, the Delaware Pay Schedule was revised. Therefore, it was necessary to reevaluate all key positions for the final presentation to the Division and the State Department of Personnel.

Strategy Utilized

Two strategies were utilized in Delaware to improve salaries: (1) Revision of the Pay Plan, and (2) Study of individual positions for classification action.

Revision of the Pay Plan

The Secretary of the Delaware Department of Natural Resources and Environmental Control and other department heads had informally discussed the Delaware salary structure with the State Department of Personnel and the Governor's Office.

The Governor established a committee, the Task Force on Cost-of-Living Pay Increase Formulas, to conduct an in-depth review of the pay scales for compensating state employees.

According to the Task Force report, dated May 1, 1975, "Presently, the State cannot attract qualified employees and is losing highly trained and experienced employees and candidates (many of whom are qualified Delawareans) to other State and Local Governments as a result of the current Delaware pay scales. This is due to the fact that Delaware pay scales lag behind those of the competing areas because there was no provision in State law for simultaneously increasing all State employee salaries to be competitive with the job market."

The Task Force reviewed existing pay scales, development of cost of living formulas, cost of their proposals and suggested implementation guidelines.

"The objectives of the pay scale analysis were to review all current pay scales used in compensating all State employees in an attempt to recommend changes in these pay scales, to make salary adjustments among state employees on an equitable basis, and to make Delaware more competitive in the job market."

It was determined that "Since 1970, the cost of living based upon the CPI applicable to Delaware has increased 36.4%; wage and salary increases for classified employees averaged 22.5%."

This led to development of corrective statewide pay legislation submitted to the Legislature for its approval.

Study of Individual Positions

In the Contractor's study of key positions in Delaware, the following strategies were utilized.

The Agency chose the key environmental positions utilizing the following criteria:

(1) Duties and responsibilities of a position had changed;

(2) Difficulty in recruiting or retaining qualified personnel in positions;

(3) High turnover rate in positions.

The following is a condensation of techniques used. A more detailed treatment of these techniques are contained in Strategies for Change.

Each key position was audited.

Comparisons were made of the audit data, and the current position description and specification. Comparisons were also made of positions with similar, lower and higher level duties and responsibilities within the environmental agency and in other state departments.

The Resources Engineer I through IV series were evaluated and salary data gathered for comparisons. The evaluations showed that the positions were in appropriate titles, but the level of the assigned duties and responsibilities plus qualifications necessary indicated a higher pay grade. The salary survey data also indicated that the pay grades established for the series were not competitive. Initial recommendations were for reallocation to higher pay grades for the series. Meanwhile, a revised state Pay Plan was enacted. A second evaluation of the series was completed which showed that the Resources Engineer II through IV were now being competitively paid for the overall level of responsibilities. This was not true for the Resources Engineer I class. Therefore, a recommendation was made for reallocation of the Resources Engineer I class to a higher pay grade.

The Geo-Hydrologist series was evaluated in the same manner as above. After the Pay Plan was revised, the pay grades established were competitive pay for the overall level of responbilities. One of the positions in the series was found to be assigned higher level duties and responsibilities and requiring higher level qualifications than the current class. The duties and responsibilities of the position were at a higher level than the initial allocation; therefore, reclassification of the position was recommended.

The Engineer Manager, Water Resources, Air Resources and Technical Services (three positions) were evaluated and comparisons were made. The evaluations showed the positions were appropriately titled, but the level of the assigned duties, and responsibilities plus qualifications necessary indicated a higher pay grade. Responsibilities had changed from those initially listed in the position specifications; therefore, new specifications were written and a recommendation was made for reallocation of each of the three positions in the class to a higher pay grade.

The Director's position was evaluated and a recommendation was made for an increase in salary. The evaluation showed that the position had assumed additional responsibilities as new and expanded programs had been delegated to the environmental agency. The position was assigned duties, responsibilities, and authorities at a higher level than indicated by the salary. Therefore, the recommendation was made for a salary increase.

Results Achieved

According to the Governor's Task Force report, "The analysis of existing State Pay Scales indicated substantial disparities in salaries between certain groups of State employees and comparable positions in the respective "communities" or labor markets".

The first element of the legislation was designed to rectify past erosion of purchasing power not already adjusted.

The following table shows the increases recommended for classified state employees by the Task Force and the increases granted by the Legislature as of September 1, 1975.

Pay Grades	Increases Recommended by the Task Force 5/75	Increases Granted by the Legislature Effective 9/1/75
5 to 18	8%	8%
19 to 25	12%	12%
26 to 31	20%	15%

A copy and discussion of the legislation is included in the appendices.

The second element of the legislation was designed "to prevent further erosion of the Delaware public employee's buying power due to continuing inflation".

The system of annual increments was eliminated and a built in Cost-of-Living Formula was adopted which would provide for semi-annual adjustments of State salaries and wages. A cost of living increase of 3.064 percent was given on April 1, 1976.

The combination of both elements represents an increase totalling 18% for the positions of Engineer Manager of Water Resources and Superintendent of the Water Pollution Section; since the increases, both vacancies have been filled.

Beyond the Statewide increases in the Pay Plan, the Contractor's final recommendations included classification actions affecting eight positions (one reclassification and seven reallocations).

One action was approved and the remaining actions are currently being reviewed by the DEC Personnel Office.

Florida

Background

On May 22, 1975, Governor Reuben Askew signed new legislation creating the Florida Department of Environmental Regulation (DER).

Subsequently, the law became effective on July 1, 1975 when the following previous entities of state government were merged into the new department:

Department of Pollution Control
Bureau of Sanitary Engineering
Bureau of Trustees of the Internal
Improvement Trust Fund
Bureau of Water Resources

The merger resulted in the wholesale transfer of 169 positions and responsibilities into DER. The Secretary of DER was given a deadline of March 1, 1976 to organize and realign these positions into a system and a hierarchy consistent with the constraints of the law.

DER was in the process of reviewing positions, duties and responsibilities and making changes, as necessary, to promote efficiency and economy within the Department.

The DER had been experiencing difficulty in attracting and retaining qualified environmental staff. The authorized positions, as of May 1976, were 479; 36 positions were vacant, or a 7.5 percent vacancy rate. There were 22 professional level positions vacant.

Problems Encountered

When the law became effective, there were no provisions for additional funding for classification actions. It was necessary that DER work within the current fiscal budget to organize and realign the positions.

The first trip was made to Florida the week of December 13, 1975. The final presentation was made to the Florida Department of Personnel on February 20, 1976. Therefore, the time frame in which to complete the audits, evaluate the positions, write recommendations, obtain DER approval and finalize recommendations was limited.

Strategy Utilized

The Florida DER was in the process of reevaluating each position within the department. New position descriptions and specifications, as necessary, were being written and evaluated for proper classification by the personnel staff within the agency.

This is a mammoth task to be undertaken by a personnel staff, but a necessary one for proper classification of positions during a major reorganization.

To provide assistance to the DER, the Contractor studied certain key positions.

The Department chose the key environmental positions utilizing the following criteria:

(1) Duties and responsibilities of a position had changed;

(2) Difficulty in recruiting or retaining qualified personnel in positions;

(3) High turnover rate in positions.

The following is a condensation of techniques used. A more detailed treatment of these techniques are contained in Strategies for Change.

Each key position was audited.

Comparisons were made of the audit data, and the current position description and specification. Comparisons were also made of positions with similar, lower and higher level duties and responsibilities within the agency and in other state departments.

The evaluation of five of the positions showed assigned duties and responsibilities which were similar to those in the position specifications for the class. Therefore, there were no recommendations for change.

In the evaluation of four of the positions, the positions had higher level duties and responsibilities assigned than those for the class title; however, the supervisors of the positions were only one pay grade higher. In discussions with the environmental agency, it was decided that no action would be taken on these positions because of budgetary constraints. At a later date, the supervisors positions plus these positions may be reevaluated by the agency.

In the evaluation of two of the positions, the comparisons showed the positions to be appropriately titled, but the level of the assigned duties, and responsibilities plus qualifications necessary indicated a higher pay grade. Therefore, recommendations were made for reallocation of these positions to a higher pay grade.

The evaluations of the remaining 15 positions showed the positions were assigned higher level duties and responsibilities and required higher level qualifications than the current class to which they were assigned. The duties and responsibilities of the position were at a higher level than the initial allocation; therefore, reclassification to an established class was requested.

Results Achieved

The Florida DER disapproved one recommendations and submitted 10 of the recommendations to the State Department of Personnel.

Three recommendations have been approved, five are pending, and two were denied by the State Department of Personnel.

As funding becomes available, the remaining positions will be reevaluated for submission by the Department.

Missouri

Background

As of July 1, 1974, the Missouri Division of Environmental Quality (DEQ) was created as an operating division of the Department of Natural Resources.

In April 1975, the Division consolidated the Regional Office Programs for Water Supply and Swimming Pools, Solid Waste, Water Pollution Control, Air Quality Control, Soil and Water Districts and Land Reclamation. A Director for Regional Environmental Programs and six Regional Administrator positions were to be established.

The Division had difficulty in attracting and retaining a qualified environmental staff. There had been a necessity to fill high level positions with incumbents not fully qualified by training and experience (In one instance, a position whose responsibilities required a Sanitary Engineer III was being filled by a Sanitary Engineer I; at least 5 years of experience was considered necessary, but it was filled by a person having less than 2 years experience).

Within the Sanitary Engineer Series (SE I-V), there were 48 authorized positions, 13 were vacant, or a vacancy rate of 27 percent, as of April 30, 1975.

Problems Encountered

Comparison of existing State environmental salaries with those of public and private employers for similar positions revealed substantial disparities. Salary data was gathered and presented to the Missouri DEQ.

During the course of the study, the Regional Office responsibilities were being finalized by DEQ so that new position descriptions and specifications could be written by the Contractor.

Strategy Utilized

The Missouri DEQ had requested and received approval for advanced step entry at the fourth step of the pay grade for the beginning level engineer.

When the key positions were chosen in Missouri, the Contractor was asked to study the Engineer Series.

The environmental agency chose the key positions utilizing the following criteria:

(1) Duties and responsibilities of a position had changed;

(2) Difficulty in recruiting or retaining qualified personnel in positions;

(3) High turnover rate in positions.

The following is a condensation of techniques used. A more detailed treatment of these techniques are contained in Strategies for Change.

Each key position was audited.

Comparisons were made of the audit data, and the current position description and specification. Comparisons were also made of positions with similar, lower and higher level duties and responsibilities within the environmental agency and in other state departments.

The Sanitary Engineer I through V series were evaluated by the Contractor, and salary data was gathered for comparisons. The evaluations showed the level of the assigned duties and responsibilities plus qualifications necessary indicated a higher pay grade. The salary data also indicated that the salary ranges established for the series were not competitive. The initial recommendations were to reallocate the series to higher pay grades, but this was not acceptable to the State Department of Personnel.

As an alternative, recommendations were made for advanced step entry for all new hires; increases were recommended for current employees who had been hired below the advanced step entry level to bring them to the new entry level; and for those employees who were at or above the entry level salary, and who were deserving, merit increases were requested. This affected 34 positions, both beginning and high level environmental positions. New position specifications were written and the series was changed to Environmental Engineer series.

A Request for New Title, at a competitive pay grade, was recommended for the Director, Regional Environmental Programs. The incumbent, who had established the Regional Environmental Program, was promoted to the new class at the higher pay grade and was recommended for a merit increase.

A recommendation was made that the six Regional Administrator positions be reclassified to the Environmental Engineer series at a higher pay grade than their current class.

New position descriptions and specifications were written reflecting increased responsibilities within the Regional Programs.

A Request for New Title at a competitive pay grade was recommended for the Director of Laboratory Services.

A total of 42 positions were affected.

Results Achieved

The entire package was approved by the State Department of Personnel.

New Jersey

Background

The New Jersey Division of Water Resources (DWR) was created on January 1, 1971 as an operating division of the Department of Environmental Protection. The Division was reorganized effective February 1975.

As of February 1976, 219 positions were authorized, 31 positions were vacant, or a vacancy rate of 14.2 percent. There were 15 professional level positions vacant.

As of May 27, 1976, there were 50 vacant positions, or a vacancy rate of 22.8%.

The DWR has an Acting Director who is Deputy Commissioner of the Department. The position of Director has been vacant for 33 months. Recruiting efforts have been made but the established salary has been a deterrent to finding a qualified environmental administrator.

During the period July 1, 1974 to September 30, 1975, 29 professional employees were hired, but 11 professionals left the Division.

Because of the difficulty in attracting and retaining qualified environmental staff, it was necessary that the environmental agency request a downgrade of many of the engineering positions so that an individual could be hired and trained who was willing to accept the salary offered by the state.

Problems Encountered

Comparison of existing State environmental salaries with those of other public and private employers for similar positions revealed substantial disparities. Salary data was gathered and presented to the New Jersey DWR.

Strategy Utilized

As a result of the reorganization in February 1975, the New Jersey Division of Water Resources was evaluating certain key positions for classification actions. To assist in the evaluation of the positions, the Contractor evaluated 41 positions.

The Division chose the key environmental positions utilizing the following criteria:

(1) Duties and responsibilities of a position had changed;

(2) Difficulty in recruiting or retaining qualified personnel in positions;

(3) High turnover rate in positions.

The following is a condensation of techniques used. A more detailed treatment of these techniques are contained in Strategies for Change.

Each key position was audited.

Comparisons were made of the audit data, and the current position description and specification. Comparisons were also made of positions with similar, lower and higher level duties and responsibilities within the environmental agency and in other state departments.

In the evaluation of 10 of the positions, the assigned duties, responsibilities, and authorities had changed and were at a higher level than the current classification of the position. In reviewing the higher level classes, there was an appropriate class sufficiently similar as to requirements, duties, authorities and responsibilities. Therefore, a reclassification was recommended on each of the 10 positions.

In the evaluation of 21 of the positions, the assigned duties, responsibilities and authorities had changed and were at a higher level, but there were no specifications of any existing class sufficiently similar which accurately reflected the required qualifications and responsibilities. Therefore, a creation of a new class with a Request for New Title at a pay grade commensurate with the overall responsibilities was recommended.

The evaluation of seven of the positions indicated they were in the appropriate title, but the pay grade established did not adequately compensate the level of the duties, responsibilities, authorities or requirements of the positions.

Results Achieved

The final presentation to the State Department of Personnel was made by the Contractor and the Division of Water Resources on May 27, 1976.

The presentation included seven reallocations, 10 reclassifications, and 21 requests for new title.

The classification actions requested are currently being evaluated by the State Department of Personnel.

Vermont

Background

The Vermont Division of Environmental Engineering (DEE), an operating division of the Agency of Environmental Conservation, had reorganized on July 1, 1975 and was in the process of evaluating each position in the Division.

As of May 1976, the positions authorized in water pollution control were 111, there were 13 vacant positions, or a vacancy rate of 11.7 percent. There were 10 professional level positions vacant.

Problems Encountered

Comparison of existing State environmental salaries with those of other public and private employers for similar positions revealed substantial disparities. Salary data was gathered and presented to Vermont.

Strategy Utilized

The Vermont agency personnel office was in the process of reevaluating each position in the Division of Environmental Engineering. New position descriptions and specifications, as necessary, were being written and evaluated for proper classification by the personnel staff within the agency.

This is a mammoth task to be undertaken by a personnel staff, but a necessary one for proper classification of positions during a major reorganization.

To provide assistance to the agency, the contractor studied certain key positions.

The agency chose the key environmental positions utilizing the following criteria:

(1) Duties and responsibilities of a position had changed;

(2) Difficulty in recruiting or retaining qualified personnel in positions;

(3) High turnover rate in positions.

The following is a condensation of techniques used. A more detailed treatment of these techniques are contained in Strategies for Change.

Each key position was audited.

Comparisons were made of the audit data, and the current position description and specification. Comparisons were also made of positions with similar, lower and higher level duties and responsibilities within the environmental agency and in other state departments.

The evaluations determined that the current position specifications did not adequately describe the duties and responsibilities of the engineering staff in the Division of Environmental Engineering. The overall level of responsibility of the supervisory positions were higher than that shown by their classification. In some cases, a supervisor was at the same pay grade as the subordinates. After discussion with the Agency, new position specifications were written by the personnel staff of the Agency. Each incumbent completed a new position description for submission to the State Department of Personnel.

The recommendations included the establishment of an Environmental Engineer series, which included Environmental Engineer A, B, C, Environmental Engineering Supervisor, Environmental Engineering Section Chief and Executive Engineer. Pay grades were recommended depending on the level of the overall responsibilities.

An Air Pollution Control Engineer series was also recommended, which included Air Pollution Control Engineer A, B and C, and Chief of Air and Solid Wastes Programs. Pay grades were recommended depending on the level of the overall responsibilities.

The Contractor requested 10 new titles, which would reallocate 14 positions to the higher pay grade.

The final recommendations by the Agency, as a result of the Agency-wide evaluations, was an additional 10 reallocations, 18 title changes (no change in pay grade), one title change with a request for classification review and classification review requests for four positions.

Results Achieved

The final presentation to the State Department of Personnel was made by the Contractor and the Division of Environmental Engineering in late April 1976.

The classification actions requested are currently being evaluated by the State Department of Personnel.

Virginia

Background

The Virginia State Water Control Board (SWCB) was established in 1946. In July of 1972, the Division of Water Resources (Department of Conservation and Economic Development) merged with the State Water Control Board, the emergent agency, which continued as the State Water Control Board.

The authorized positions of the Board had grown from 28 in 1968 to 351 in 1976. In March 1975, with 355 authorized positions, 12 were vacant, or a vacancy rate of 3.4 percent. As of May 31, 1976, with 351 authorized positions, vacancies had grown to 28, or a vacancy rate of 8 percent. Professional level positions accounted for 13 vacancies.

The SWCB was having difficulty attracting and retaining qualified environmental employees. Virginia has a policy that if a position is vacant more than one year, it is abolished. During calendar year 1974, competition had been so fierce for candidates to fill certain key positions that the Board had six important professional level positions which were abolished on December 1, 1974 for this reason. Because of difficulty in recruiting and retention, there had been a necessity to fill positions with an incumbent not fully qualified by training and experience, and the necessity to lower the qualifications of certain classes.

Problems Encountered

Comparison of existing State environmental salaries with those of other public and private employers for similar positions revealed substantial disparities. Salary data was gathered and presented to the SWCB.

Strategy Utilized

Fourteen classes were chosen by the State Water Control Board which affected 79 positions. Classes, rather than positions, were chosen by the Board because of the disparities between salaries established for the environmental classes and that paid by the public and private sector.

The key environmental classes were also chosen utilizing the following criteria:

(1) Difficulty in attracting and retaining qualified environmental employees.

(2) High turnover rate.

The following is a condensation of techniques used. A more detailed treatment of these techniques are contained in Strategies for Change.

Certain positions within each class were audited, and these were chosen by SWCB.

Comparisons were then made of the audit data, and the current position description and specification. Comparisons were also made of classes with similar, lower level and higher level duties and responsibilities.

The evaluation of 13 of the classes showed that they were appropriately titled, but the level of the assigned duties, requirements, responsibilities and authorities plus qualifications necessary indicated a higher pay grade. The salary survey data also indicated that the pay grades established for the classes were not competitive. Therefore, reallocation of the 13 classes was recommended.

The Executive Secretary's position was evaluated and a recommendation was made for an increase in salary. The evaluation showed that the position had assumed additional responsibilities as new and expanded programs had been delegated to the SWCB. The position was assigned duties, responsibilities and authorities at a higher level than indicated by the salary. Therefore, the recommendation was made for a salary increase.

Results Achieved

The increase of $5,000 to the Executive Secretary's position was approved in 1976. The remaining recommendations were denied by the State Department of Personnel.

As of August 1975, Virginia was placed in a total hiring freeze. This was modified in April 1976, permitting hiring if special permission was obtained. There were no professional employees hired by the Virginia State Water Control Board from October 1, 1975 through May 31, 1976, although five professional employees left during that period.

On July 1, 1976, a Statewide cost of living increase will be given to all Virginia state employees. The clerical employees in Virginia will receive a 2 step increase in pay (approximately 10 percent); all other employees will receive a 1 step increase in pay (approximately 4.8 percent).

Further action is contemplated on the classes evaluated during the Contractor's study in Virginia pending completion of an organization study of work assignments to be completed jointly by the Board and the State Department of Personnel.

SUGGESTED LEGISLATION

In many ways each state is different from all others; yet, there are some problems all states have to face. One series of problems involve the long-term decline of the purchasing power of the dollar, its affect on state budgets, and its affect on pay plans for state employees.

In the main body of this handbook, Findings and Conclusions #1 states: "Throughout this century, the nation has been experiencing a long-term inflationary trend, eroding the purchasing power of the dollar. To the extent the basic pay plan of a state is not regularly and adequately adjusted for inflation, the result is a pay reduction in real terms for state employees".

"Legislatures have been reluctant to made such adjustments because granting a "raise" in dollar schedules is often interpreted as granting an increase in purchasing power."

"However, the very inflation which causes the problem provides part of the solution."

"Generally speaking, long-term inflation means long-term price increases which yield larger sales tax revenues; similarly long-term wage increases for the state's population means greater income tax receipts for the state."

Each state has legislation establishing its pay schedule, each state has enacted, in the past, legislation modifying the pay schedule from time to time to reflect, among other things, changes in the purchasing power of the dollar.

The legislation suggested in this handbook is not generally of the above type designed to provide intermittent temporary solutions to a repetitive problem; instead it is designed to relieve legislators, governors, state officers and other state employees of the recurring crises as pay plans repeatedly become distorted by inflation.

Failure to adjust the pay plan promptly, leads at best to sudden, massive readjustments--at worst to loss of best-qualified personnel, an inequitable "tax" on an existing employees, and even avoidance of merit personnel principles.

Because no two states are identical, it would be presumptuous for one unfamiliar with its uniqueness, to propose model legislation.

However, some familiarity with problems common to all states can lead to suggested legislation, to be modified and adapted by members of that state's legislative and executive branch.

In order to cope with the repetitive problems arising from the impact of inflation on a pay schedule, corrective legislation should have two main purposes:

(1) to rectify past erosion of purchasing power not already adjusted;

(2) to prevent further erosion of the state's employees buying power due to continuing inflation.

If legislation fulfilling these two purposes is successfully enacted, the state department of personnel can then better pursue corrective action involving individual positions, classes, and class series.

As suggested legislation, there follows a copy of Delaware Senate Bill 395, which was enacted in 1975, embodying both main purposes.

As enacted, it limited the adjustment for inflation to 10 percent in any one year. If inflation exceeds this amount, such excess generally would also be reflected in state receipts. It can be argued that state employees are equally justified in having their purchasing power protected, during high rates of inflation as well as low.

As enacted, it provided the cost-of-living adjustment instead of, rather than in addition to, the annual step increase. The step is usually thought to provide an increase in purchasing power to reflect increased value to the state resulting from the employees increased experience. In practice, these steps came to be considered, at least in part, as an inflation adjustment. Legislators need to consider whether they want to provide automatic steps, or merit step increases as an issue separate from inflationary adjustments.

The legislation was developed as the result of the appointment, by the Governor, of a Task Force on Cost of Living Formulas.

DELAWARE STATE SENATE

128TH GENERAL ASSEMBLY

FIRST SESSION - 1975

SENATE BILL NO. 395

AS AMENDED BY

SENATE AMENDMENT NO. 3

AN ACT TO MODIFY CHAPTER 65, TITLE 29, DELAWARE CODE, TO PROVIDE FOR A COST-OF-LIVING SALARY SUPPLEMENT AND A SUPPLEMENTAL APPROPRIATION TO MODIFY CERTAIN STATE PAY SCALES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend Chapter 65, Title 29, Delaware Code, adding a new S6532, which shall read as follows:

"S6532. Cost-of-Living Salary Supplements

(a) All employees of the State shall be paid a salary supplement as a percentage of their base pay equivalent to the percentage change in the Consumer Price Index for the Philadelphia region. The Consumer Price Index figure at the beginning of each calculation period shall be subtracted from the Consumer Price Index at the end of the calculation period, multiplied by one hundred and divided by the Consumer Price Index at the beginning of the period to determine the percentage of increase or decrease for cost-of-living for that period. This calculation shall be made each six

month period ending December 31 and June 30 and become effective for each succeeding six month period beginning April 1 and October 1 respectively. The supplement percentage may not exceed ten percent on an annual basis.

(b) The Governor shall create an Advisory Council on State Salary Administration to administer this Section.

(c) For purposes of this section, an 'employee' is defined as one who works the regularly scheduled full-time hours of the employing agency or at least 30 or more hours per week or 130 hours per month (with allowable interruptions) throughout the year and is compensated with a regular State pay check.

(d) For purposes of this section, 'base pay' is defined as all salary, wages and fees, including overtime payments paid to an employee."

Section 2. Effective September 1, 1975, the following changes shall be made to the designated pay plans:

(a) The pay plan of the State Personnel Commission shall be increased as follows:

(1) Pay Grade 5 through 18 - 8%

(2) Pay Grade 19 through 25 - 12%

(3) Pay Grade 26 through 31 - 15%

(b) The Faculty salaries of Delaware State College shall be increased by 2 and ½% and the Faculty salaries of Delaware Technical and Community College shall be increased by 7%.

(c) The pay plan for employees of the Judicial Branch other than the State Juduciary shall be increased by 8%.

Section 3. All increments to State employees based on merit, years of experience or time-in-grade are hereby suspended for one year from the effective date of this act to allow for the determination of a proper and equitable system of incentive increments. Employees other than school employees whose pay plans were not changed by Section 2 of this Act shall be entitled to whatever increments were included in the Fiscal 1976 Budget Act.

Section 4. Employees of the school sector involved in prior contractual agreements shall be exempt from the incremental suspensions as set forth in Section 3 of this Act with the exception that any cost-of-living formula application on or after April 1, 1976 shall be reduced each pay cycle by the amount of the annual increment applicable to that pay cycle.

Section 5. In order to carry out the provisions of this Act, an amount of $1,560,000.00 is appropriated to the Budget Director for payment of salaries, cost-of-living

adjustments and fringe benefits. Funds appropriated by this Act cover only those portions of base pay paid from State General Funds and are not intended to supplement portions of base pay paid from other sources. Such amount shall be paid by the State Treasurer out of funds in the General Fund of the State of Delaware not otherwise appropriated. Any monies appropriated herein which are unexpended as of June 30, 1976 shall revert to the General Fund.

Signed by the Governor on June 30, 1975.

METHODOLOGY AND TECHNICAL APPROACH

This part describes the methodology applied under the terms of the EPA contract to develop the material for inclusion in this handbook.

The fundamental pattern projected was for a comprehensive nationwide survey to be conducted, technical assistance to be provided to prototype states, a handbook to be written incorporating lessons learned from the prototype states, and a series of meetings with state and regional officials to discuss use of information gathered and techniques applied.

The contract contains specific requirements which channel the methodology and technical approach used. In the following sections these tasks, as officially modified, are quoted verbatim, with discussion of contractors approach.

In the Introduction there was an important note under the heading Important Restraints On Comparative Data: "As originally written, the contract authorizing this project called for the contractor to conduct a survey of compensation patterns of all states and a representative sample of other employers. However, the Federal Reports Act requires that any survey addressed to ten or more recipients must be approved by the Federal Office of Management and Budget. Such approval was requested, but disapproved; an appeal of this desision was also disapproved. Consequently, the survey was restricted to a limited number of states plus such information available from already published sources".

The purpose of the survey was to define the extent of the problem, to help select the prototype states, and to provide comparative salary data for use by state environmental agencies and state departments of personnel.

Since most of this information was necessary to perform the contract, tasks had to be modified to provide needed information without conducting prohibited surveys.

Task No. 1 "is changed to read as follows: Utilizing information contained in publicly available publications, the Contractor shall gather all pertinent data regarding compensation/classification levels of employees in water pollution control agencies of the states and territories of the United States, as well as pertinent data concerning compensation levels of public and private employers who may compete for the services of these employees."

Task No. 2 "is changed to read as follows: The Contractor shall analyze this data in a manner suitable for inclusion in the handbook required under Task No. 4."

Data was gathered from published sources, from the six prototype states, and from telephone interviews limited to less than ten respondents. Under limitations prevailing there is considerable difficulty in utilizing data from varied sources for comparative purposes due to differing definitions and differing dates.

Data gathered was analyzed and compiled in a form suitable for fulfilling the original purpose, although in a limited form.

Task No. 3 was changed to provide that "The project officer and contractor shall jointly select"...(six) ..."States with different classification/compensation problems. The contractor shall provide the necessary manpower, supplies and materials to provide intensive technical assistance to those States to reclassify selected environmental control positions and to up-grade salaries. This technical assistance will be carried out until this task is well on its way to completion."

In consultation with the EPA Headquarters and with the concurrence of the potentially selected states and appropriate regional offices, the states were selected using the following criteria:

(1) "problem model" diversity;

(2) state pollution control agency size diversity;

(3) geographic dispersion.

A Contractor team performed the majority of its work at the offices of the prototype states, specifically reviewing, developing recommendations and implementing modifications relative to a thorough compensation and pay review of the key environmental management positions which exist or were being created within the state government.

The projects generally contained the following elements:

(1) overview discussions with the agencies' chief executive officers;

(2) reviews of the scope of legal authorities attendant to the positions;

(3) reviews of the scope of budgetary authorities attendant to the positions;

(4) reviews of the training and experience requirements as specified by law, regulation or policy;

(5) desk audits of the work performed by the incumbent in the positions under study;

(6) reviews of the actual training and experience possessed by the incumbents to the position, where appropriate;

(7) utilization of a salary survey of business and other governmental bodies (with similar positions) within the states receiving technical assistance;

(8) consultation with the environmental agency, recommending what action, if any, was appropriate;

(9) Preparation of necessary documentation and forms;

(10) Presentation, with environmental agency personnel, of recommendations to state department of personnel.

Task No. 4 "is changed to read as follows: Utilizing the experience gained in accomplishing Task Nos. 2 and 3, the Contractor shall prepare a handbook to guide State agencies through the necessary steps to reclassify positions to up-grade salaries. Different strategies shall be designed to overcome the different types of problems revealed in the completion of Task No. 3. Such assistance as preparation of standard job descriptions, as well as the writing of model legislation, shall be included in the handbook."

Based on the experiences gained in accomplishing the first three tasks, this handbook was prepared. Experience showed that some elements originally thought to be suitable for inclusion in the handbook did not have general application suitable for use by other states. Overall strategies and techniques for change have relatively universal value, and hence were discussed extensively. However, even though extensive assistance was provided in developing job descriptions for the prototype states, it became apparent that standardized job descriptions were not feasible. Each state divided and subdivided differently its environmental responsibilities among units and among individuals; these differing approaches call for differing responsibilities and qualifications for each of the positions.

The model legislation most appropriate was legislation which would rectify past erosion of purchasing power of state employees salaries or legislation that would prevent such further erosion. Since Delaware successfully combined both provisions in one bill, and succeeded in having it enacted, this was chosen as the example for this handbook.

Task No. 5 was changed to "An appropriate member of the Contractor's project team shall deliver to each of the ten (10) EPA regional offices, the findings and conclusions of the study and discuss them with appropriate regional office personnel. The Project Officer, after consultation with the Contractor and appropriate regional office personnel, will select twenty-five (25) states, which are most in need on on-site meetings with a member of the project team. After selection of the twenty-five (25) states, a member of the Contractor's project team shall visit each of the twenty-five (25) states to discuss the findings and conclusions of the study and to provide general guidance to appropriate senior officials regarding their State's undertaking of similar work."

These visits represent an important supplement to the handbook itself, for they provide an opportunity to further expand the detail provided, to clarify questions that may be in the minds of the EPA regional and state officials, and to provide opportunities to assist each state in developing a strategy to match its unique problems.

This phase has not as yet begun, but is expected to begin shortly after the handbook is printed and distributed.

GLOSSARY

Advanced step authorization - Authorizing a new employee to start at other than the minimum salary established for the pay grade assigned to the class. Also used to authorize a pay increase of one or more steps for existing employees.

Class or class of positions - A group of positions sufficiently similar as to requirements, duties, authority, and responsibilities, as to be similarly treated for compensation purposes.

Classification - Analysis of the duties and responsibilities of a position and its assignment.

Classification Action - A personnel action requested as a result of change in a position.

Class Series - A progression of classes in the same area of work reflecting different degrees of responsibility and difficulty of duties.

Class Title - The title used to officially designate a class; sometimes referred to as job title.

Compensation Plan - The scale of pay authorized for each class in the classified service and the rules providing for application of the scales in fixing the rates of pay for individual employees.

Job Title - See Class Title.

New Job Title - Creation of an entirely new class when the specifications of no existing class in the pay schedules accurately reflects required qualifications and responsibilities.

Pay Grade - Grades established within which all classified positions in the state are designated.

Pay Schedule - The pay scales authorized for each class of positions in the state.

Position Description - A written description of the duties and responsibilities of a position.

Reallocation - Adjustment of the scale of pay for a class of positions to provide an increase (upgrade) or a decrease (downgrade) in rates of pay.

Reclassification - The reassignment of a position from one class to a different class to correct an error in initial allocation or to recognize a change in the duties and responsibilities of the position.

Revision of Pay Schedule - Complete revision of Statewide pay scales.

Salary Range - Minimum/maximum salaries established for each pay grade within a pay plan.

Specification - A written description of the distinguishing characteristics of all positions in a class.